



D4 Small Business Council Meeting Minutes

DATE: April 19, 2016

TIME: 1:00- 2:30pm

LOCATION: District 4, Executive Conference Room-15-240, 111 Grand Ave., Oakland, CA

<u>D4 CALTRANS STAFF:</u> Bijan Sartipi, District Director Dan McElhinney, Chief DDD Adriana Harris, Small Business Prog. Damien Harris, Office of Business Management Deo Blas, Consultant Services George Crosby, Small Business Prog. Lenka Culik-Caro, DDD-Design Tom Fung, A & E Consultant Services Aung Maung, Traffic Operations Ray Pang, Construction Stan Ng, Maintenance <u>HQ/AGENCY STAFF:</u> Damon Dorn, OBEO	<u>MEMBERS (Present/Absent)</u> Arvin Chaudhary (P) Paul Guerrero (P) Eddy Lau (P) Diana LaCome (P) Frederick Jordan (P)	<u>REPRESENTING</u> ACEC CA La Raza Roundtable AAAE NCA SFAACC
	<u>ALTERNATES (Present/Absent)</u> Raewyn Butcher (A) Victor Garza (A) Miguel Barrigan (A) Leslie Sakai (A) Anthony DeVenuta (A) Dr. Caesar Churchwell (A)	<u>REPRESENTING</u> ACEC CA La Raza Roundtable NCA AAAE SDVOC SFAACC
	<u>GUESTS:</u>	<u>REPRESENTING</u>

Item #1: Introductions

District 4 Director Bijan Sartipi welcomed everyone to the April meeting, and the attendees introduced themselves.

Item #2: Approval of Minutes

February 16, 2016 Minutes:

Motion: Ms. Diana LaCome **Second:** Mr. Eddy Lau **Opposed:** None. Approved by consensus.

Item #3: District 4 Updates

Construction Update:

Mr. Sartipi introduced Mr. Ray Pang who presented the Construction report. Mr. Pang reported that there were 16 *Advertised and Upcoming Projects*, totaling approximately \$25.6M. He said the largest of the projects was contract EA #1J5801 which had an estimated value of \$6.3 mil. He informed the Council that contract EA #2A3311 had a bid opening date on April 13, 2016 but only had one bid for \$1.45 million. As a result, this contract was going through a Caltrans *bid analysis*. Mr. Pang noted that a \$250K incentive would apply to any Disabled Veteran Business Enterprise (DVBE) bidder who might submit for this contract. Mr. Fred Jordan and Ms. Diana LaCome asked Mr.

Pang to explain the incentive. Mr. Pang explained that the \$250K incentive allows the District to subtract \$250K from a DVBE's higher bid, which could make him or her the low bidder. Referring to the *Projects Opened and Currently Awaiting Award* section, he reported that there were 4 contracts valued at an engineer's estimate of \$5.7M. He stated the *Low Bid* totals were approximately \$5.3M. Mr. Pang reported that there were 3 projects awarded in the *Projects Awarded* section, and the total *Low Bid* was approximately \$50M. He noted that contract EA 2J0701 was the largest of the 3 contracts, reaching approximately \$50M. Mr. Paul Guerrero asked how thoroughly does Sacramento review the Good Faith Effort (GFE), referring to contract EAs 2J0701 and 4A0001 whose commitments were substantially lower than the Department's goals. Mr. Pang explained that the Contract Evaluation Unit has a process for verifying the GFE, but he was not certain what the steps were. Mr. Fred Jordan noted that the prime contractor commitment of 7.32% for a \$49M contract warranted concern and that African American inclusion on state and District contracts were extremely low. Mr. Sartipi noted that the Department evaluates each contract differently and that the GFE was accepted by headquarters for the respective contract. He reminded the Council that because of the Department's statewide efforts, the DBE achievements have increased and are far better than they were in previous years. The Council concurred. Mr. Eddy Lau suggested that the *Office of Business and Economic Opportunity* (OBEO) take a closer look at the historic patterns of contractors who consistently do not meet the goals. Mr. Pang said there were 9 contracts in the *Projects Ready to List but Not Funded for Advertisement* section. The largest was EA 3G59U1, with an engineer's estimates of \$55M. Mr. Pang reported that there were 7 upcoming contracts in the *Projects, Plans, Specifications, and Estimates – Not Ready to List* section. Ms. LaCome asked how often the district requested funding for projects. Mr. Sartipi explained that the CTC meets every other month, and the District consistently has projects for which it seeks funding. Mr. Pang provided the Council the *Awarded Projects in District 4 from January 1, 2013 to April 7, 2016*, handout. Mr. Sartipi thanked Mr. Pang for his report.

Maintenance Update:

Mr. Sartipi introduced Mr. Stan Ng who provided the Maintenance report. Mr. Ng reported that there were 25 contracts on the *Director's Order Force Account* that totaled approximately \$32.8M. Twenty-nine percent were awarded to Small Business Enterprises (SBEs) and 71% to Non-SBE's. Mr. Ng informed the Council that the yellow highlights were updates since the last meeting. Hence, items 21 through 23 and 25 were new contracts. Mr. Ng said there was a \$1M contract awarded after the report went to print. It was awarded to a small business firm, Piazza. Referring to the *District Director's Order Force Account*, he reported that there were 15 contracts which totaled over \$3.6 mil. He said 72% was awarded to SBEs, 22% to Non-SBEs, and 6% not yet awarded. He said items 12, 14, and 15 on the following page were new contracts, noting that number 15 went to a SBE firm. He mentioned that there were also two new and un-awarded contracts, totaling over \$500K for Santa Clara County. Mr. Ng concluded his presentation with the *District Office Fire Life System Report*. The percentages paid for this project were 50 % to SBEs, 48% to Non-SBEs and 2% to a DVBE. Mr. Sartipi reminded the Council that the contract was coming to an end and that there were only a few items left. He then thanked Mr. Ng for his report.

Design Update:

Mr. Sartipi introduced Ms. Lenka Culik-Caro to update the Council on the Design Report. Referring to the *Proposed Minor B Projects for Small Business, FY 15/16*, she reported there were three favorable bid openings, EA #s 1SS490, 2L8100, and 3G1001. She explained that 1SS490 Most Qualified Bidder was ABSL Construction for a bid of \$227.5K. Contract EA 2L8100 went to Alaniz Construction, Inc. for \$251.5K. She noted that this contract was slightly over the engineer's estimate of \$224K. The last contract, 3G1001 went to Rege Construction, Inc. for a bid of over \$77K, substantially lower than the engineer's estimate of \$125K. Mr. Paul Guerrero asked if Design planned to call the contractor to ensure that there was not an error. Ms. Culik-Caro affirmed that she would instruct her staff follow-up **[Action Item# 2016-10/Assignee-Lenka Culik-Caro]**. Mr. Jordan asked if it might be these were federal or state funded contracts. Ms. Culik-Caro affirmed that they were state-funded construction contracts that had a maximum value of \$281K. Mr. Sartipi thanked Ms. Culik-Caro for the Design report.

A&E Update:

Mr. Sartipi introduced Mr. Romy Fuentes to provide the A&E Report. Mr. Fuentes highlighted that there were currently seven *Recently Executed A&E Contracts*, two of which were new since the last report (EA #s 04A4803 and 04A4804). He noted that EA 04A4803 was awarded to CH2M Hill, and the latter was awarded to GANDA. Each committed to the respective goals of 17% and 15%. Referring to the *Recently Executed non A&E Contracts*, he reported that there were two contracts, EA #s 04A4654 and 04A4645. Mr. Fuentes reported that there were five *Upcoming New-A&E Contracts* that would occur between September and December 2016. He noted that all the contracts were on-call federal contracts with DBE goals attached. Item number one was set at a goal of 12%. Items two and three were both set at 13.5%, while the remaining two contracts' goals had not been set at the time of the report. Mr. Jordan asked if any of the *Contractors Recently Executed A&E Contracts* were small businesses. Mr. Fuentes explained that both WRECO and GANDA were DBEs who had graduated from the *Mentor Protégé Program*. He said the former was a DBE, and the latter firm graduated out of the DBE program. For the *Upcoming Non-A&E Contracts*, he reported that there were seven upcoming non-A&E contracts. He said item number one for EA # 04A4902 **[formerly 04NEW491-16]**, would be re-advertised on April 28, 2016, because the original contract failed twice in the advertisement process. He explained that A & E would advertise the new contract to a broader audience to attract more bidders. Mr. Jordan asked why the respective contracts referred to as Non-A & E contracts. Mr. Fuentes explained that A & E professional service contracts that are based on qualifications rather than low bid. Contrary, Non-A & E contracts are bid-based. Mr. Eddy Lau asked if A & E could list the past incumbents for previous contracts and add them to the report **[Action Item # 2016-11/Assignee-Romy Fuentes]**. Mr. Jordan asked if it were possible to separate on-call engineering services from on-call traffic control to make it more reachable, given that some engineering firms must seek traffic control subcontractors to fulfill the scope of work. Mr. Sartipi noted that this might impact a firm's ability to meet the goal. He asked A & E look into, so the conversation could be explored further. Mr. Fuentes acknowledged that the argument was a good one but noted that it might be best suited for contracts upward of \$10M. Mr. Fuentes and that his report, and Mr. Sartipi thanked him for his report.

District 4 Small Business Update:

Mr. Sartipi introduced Mr. George Crosby to provide the Small Business Update. Mr. Crosby reported that the SBP team hosted a Procurement Fair on April 13, 2016. There were over 80

attendees representing 55 firms. Referring to the *Prime-DBE Cooperative (PDC) Workshop III* flyer, informed the Council that the team and volunteer, co-facilitator CPM logistics would be hosting the third PDC workshop at the District office. He noted that the workshops have been very successful in generating much interests from DBE, prime, and agencies. Mr. Guerrero mentioned that there was a potential upcoming bill that could impact non-union contractors, as it relates to *One-Time Agreements*. He suggested the team explore and discuss the potential impact of the bill with the stakeholders. Ms. LaCome asked if the SBP team was staffing the event. Ms. Adriana Harris affirmed that the SBP team was staffing the event. She also noted that the team received its survey that indicated that more than half of the respondents had received contracts with some of the prime participants since the beginning of the workshops. Ms. LaCome complemented the program and suggested that there should be more efforts similar to the PDC. Mr. Crosby said the program included relevant, industry topics, networking exposure, and candid but respectful dialogue of systemic issues. Mr. Sartipi empathize that the workshops were not 'your business as usual' effort. Mr. Sartipi concluded, and Mr. Sartipi thanked him for the report.

OBEO Update

Mr. Sartipi introduced Mr. Damon Dorn to report the OBEO Update. Mr. Dorn reported that the Office of Business and Economic Opportunities has conducted Prime Contractor Trainings in 8 of the 12 districts throughout the state. On April 27, 2016, OBEO will conduct a Training in District 5 – San Luis Obispo. District 12 – Irvine was scheduled for June 22, 2016. The remaining Districts, one and nine, are tentatively scheduled to be completed prior to June 30, 2016. He continued to say that OBEO would be attending the Connecting Points Exhibitor Workshop on May 4, 2016, at the Scottish Rite Masonic Center; 6151 H Street Sacramento, CA. 95817. He stated OBEO would host a booth, and there would representatives to provide information about contracting opportunities with Caltrans. Mr. Dorn discussed the Caltrans Overall Achievement Numbers, informing the Council that there were 224 Federally Funded Contracts awarded between October 2015 and March 2016. He noted that this number included state and local agency construction and A & E contracts. Additionally, Mr. Dorn said there were 16 federal-aid contracts that went to DBE primes in the federal fiscal year 2016. Referring to State Funded Contracts Awarded, he reported there were 309. There were 11 DVBES and 173 Small Business primes who won the state funded contracts. Between July 2015 and March 2016, 2.29% were DVBES, but this did not include procurement and service contracts. Mr. Paul Guerrero asked what did the prime contractor training consists of. Mr. Dorn replied that it captured common topics that have been concerned for prime contractors, such as new laws, good faith effort requirements, and websites searches for SB, DBE, and the DBE contractors. Mr. Sartipi thanked Mr. Dorn for his report.

Item #4: Review of Action Items

Mr. Sartipi introduced Mr. Damien Harris to report on the open Action Items. Mr. Harris referred to ***Action Item #2015-07-Assignee- Romy Fuentes/ Tom Fung [Closed]***. Mr. Fung referred to the goal setting process for contracts #s 04NEW495-16 and 04NEW496-16. He explained that the 10% goal indicated on the previous report was a tentative number because A & E was still developing the scope of work. Additionally, the contracts would not be advertised until late June 2016. He said he had not yet determined the actual goal but planned to use the OBEO database to develop the DBE goal-setting process. Mr. Fuentes referred to ***Action Item #2015-08-Assignee- Romy Fuentes/ Aung Maung***

[Closed] and reported that contract EA 04NEW488-16 was CMAS contract awarded to Golden Bears Company. Ms. Diana LaCome asked if Golden Bears had staffed the Mentor Protégé Program before. Mr. Fuentes affirmed that the company had done it before and had performed well. Referring to **Action Item #2015-09-Assignee- Romy Fuentes/ Aung Maung [Closed]**, Mr. Fuentes said the scope of work required for EA #s 04NEW472-12 and 04NEW473-16 was mostly for drainage and erosion control, including emergency work, in the north and south regions. He noted that contracts were advertised at the time of the meeting. He informed the Council that if they had any questions, the contract analysts was Jean Mallare who could be contacted at 916-227-4583. Mr. Fuentes concluded his report, and Mr. Sartipi thanked him.

Item #5: New Business

1. Mr. Lau suggested that District include the Calmentor SBE achievements to the *District 4 Statewide Small Business* report. Mr. Sartipi agreed that the District would include it.
2. Mr. Guerrero asked if the district had or planned to have any federal funding for the express Lane projects. Mr. Sartipi said the District may have some and may have a need for them as well.
3. Mr. Jordan informed the Council that his organization, in conjunction with Director Dougherty, Mr. Sartipi, and Angela Shell, have had discussions about conducting a professional and contractors' summit to promote African-American small business participation with Caltrans. He requested that District 4 assist in the initiative along with Districts 5 and 10. Mr. Sartipi suggested a planning committee be established and the objectives and desired outcome be clearly outlined. He assigned Mr. Crosby to follow-up with Mr. Jordan to begin to coordination.

Item #6: Adjourn

Mr. Sartipi adjourned the February meeting and said that the next meeting would be on Tuesday, April 19th, 2016.

District 4 Small Business Council Action Items as of February 16, 2016:

No. / Starting Date / Assignee			Item Description (Originator)
# 2016-10 New	4-19-16	Lenka Culik-Caro	Mr. Paul Guerrero asked if Design planned to call the contractor to ensure that there was not an error. Ms. Culik-Caro affirmed that she would instruct her staff follow-up.
#2016-11 New	4-19-16	Romy Fuentes	Mr. Eddy Lau asked if A & E could list the past incumbents for previous contracts and add them to the report

The D4 SBC meets every other month in the Executive Conference Room 15-240, 111 Grand Avenue, Oakland, CA 94612. Meetings begin at 1pm and run until about 2:30pm.

2016 D4 SBC Upcoming Meeting Schedule

August 16st
October 18th
December 20th